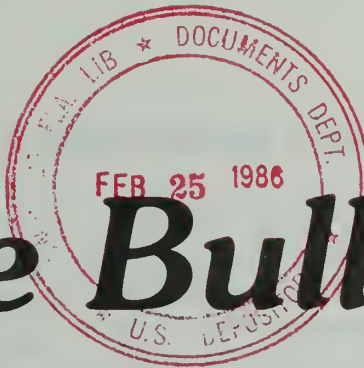
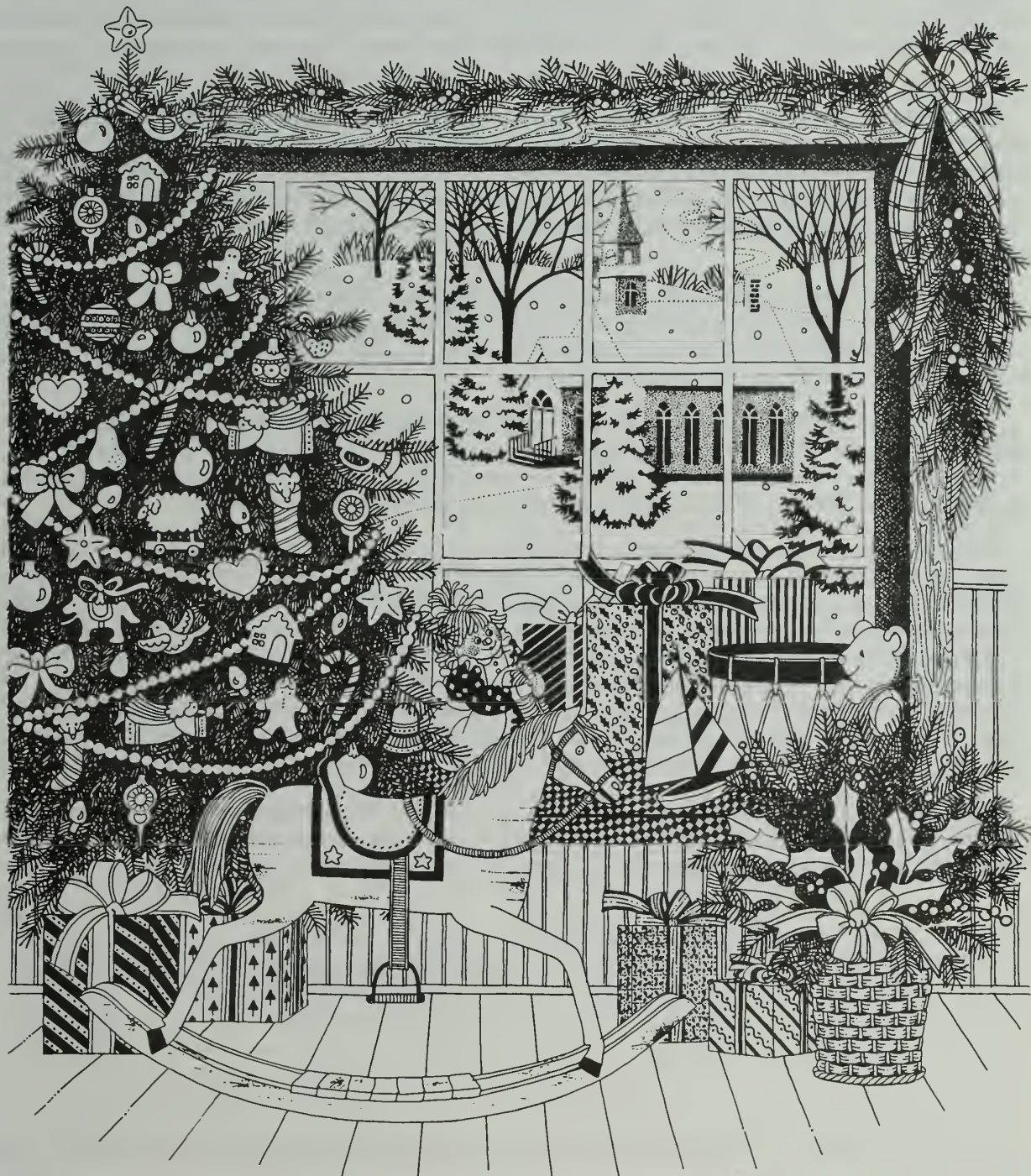




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The Bulletin

Defense Contract Audit Agency/Cameron Station, Alexandria, VA 22304-6178



Acting Director's message

It seems ironic that at that time of year when there is the most darkness, mankind finds occasion for festivals and celebrations. The spirit which prevails serves to lighten the darkness. It is a fitting time for reflection, when the weight of new responsibilities and growing workload may be lightened by celebration of achievements and increasing potential for improvement.

New responsibilities abound: DCAA is now charged with determination of final indirect expense rates for settlement of contracts. DCAA has been assigned the task of reviewing ASBCA decisions to identify provisions which indicate a need for stronger cost principle regulations. New authority for demanding access to records in contract audits has been provided. In addition, existing responsibilities are getting new emphasis because of growing public concern about the effectiveness of controls over defense contract costs.

Contract audit workload is increasing, not only by the impact of new responsibilities, but also by the significantly increasing contracting volume and by initiatives to improve contract audit services. Of particular significance upon workload are the efforts to get current on audits of incurred costs, increase contract audit support of negotiations and disputes, and to develop empirical data and perform accounting analyses which will be of valuable service to acquisition planning as well as to contract negotiation and settlement.

The new responsibilities and growing workload present quite a challenge. But, DCAA is rising to the occasion. Experienced auditors have been working overtime and on temporary assignments to other offices to help achieve the objective of getting current on incurred cost audits. These and other initiatives have been praised by DoD's Inspector General.

Initiatives toward increasing potential for improvement are being aggressively pursued. Managers and specialists are successfully identifying and implementing procedures and techniques for increasing productivity. The need for a significant increase in resources is recognized. Efforts to accurately measure the level of resources needed and support the resulting budget requests are underway.

As DCAA grows to meet the increasing workload, it is essential that we have experienced, well-trained professional auditors ready to move into managerial positions. From my observations as the selecting official for Agency managerial positions (GM-14 and -15) during a recent period where attrition and new positions created a flurry of promotion opportunities, DCAA is doing an excellent job of developing its personnel. The array of candidates with multiple location experience, CPA certificates, advanced degrees, and extensive specialized training was gratifying. While the selectees most certainly have cause to celebrate, others may look to the challenges of our new responsibilities and growing workload as an opportunity for development. Experiences in successfully achieving Agency objectives, along with ongoing professional development, may be expected to produce well-qualified candidates for future promotions.

While celebrating our achievements and opportunities, I hope we may also look forward to a new sense of professional pride. By doing our very best, general recognition of a job well done will surely follow. *It is in that spirit that I wish you a very happy holiday season.*



FRED J. NEWTON

Incentive awards in brief

By Roger D. Kriesch
Personnel Management Specialist
Headquarters, DCAA

The Incentive Awards Program was established because the Government believes that employees who make noteworthy contributions on the job deserve special recognition. In this context, there are opportunities for special contributions at all levels of Government without regard to an employee's grade or level and type of responsibility. By using your skills and abilities, you can take advantage of these opportunities and make direct contributions to improved Government. The opportunity and challenge are yours!

The range and variety of monetary and nonmonetary incentives to DCAA employees is almost limitless. Most Agency employees are familiar with the basic cash awards for quality performance or for other personal efforts which aid or facilitate the work of the Agency or the Government. These cash awards include the Sustained Superior Performance Award, the Special Act or Service Award, the GM Performance Award, the Suggestion Award and the quality step increase. However, many other types of monetary and nonmonetary recognition are also available. These include:

Department of Defense Distinguished Civilian Service Award. This is the highest civilian award given by the Secretary of Defense to career employees. It is a competitive award and is presented annually by the Secretary of Defense. Five to seven civilian employees within the Department of Defense are selected whose careers reflect exceptional devotion to duty and extremely significant contributions of broad scope to the efficiency, economy, or other improvements in the operations of the Defense Department. The award consists of a citation signed by the Secretary of Defense, a large gold medal, and a miniature gold medal and rosette.

Secretary of Defense Meritorious Civilian Service Award. This is the second highest civilian award given by the Secretary of Defense. It may be granted at any time to civilian employees who have distinguished themselves by exceptional meritorious service of major significance to the Secretary of Defense. In addition to DoD employees, this award may be granted to employees of other Government agencies for services deemed appropriate to the

Secretary of Defense. The award consists of a citation signed by the Secretary of Defense, a large silver medal, and a miniature silver medal and rosette.

DCAA Distinguished Service Award. This is the highest DCAA honorary award for employees of the Agency. It may be granted at any time for outstanding achievement or exemplary accomplishment of duties over an extended period of time. The Director approves this award which consists of a certificate and a gold medal with rosette.

DCAA Meritorious Service Award. This is the second highest DCAA honorary award for employees of the Agency. It may be granted at any time for exceptional contributions usually over an extended period of time. The Director approves this award which consists of a certificate and a silver medal with rosette.

DCAA Award for Achievement. This is the third highest DCAA honorary award for employees of the Agency. It may be granted at any time for a significant achievement or a special service. The Director approves this award which consists of a plaque with a metal plate containing an engraved citation and the signature of the Director.

Publications Award. This award may be presented to a DCAA employee who published a technical paper on accounting, auditing, personnel, law, management or administration in a professional journal or publication which contributed to the stature and prestige of the Agency. In any fiscal year in which three or more articles or papers are published Agency-wide, an Ad Hoc committee is appointed with regional and Headquarters representation for the purpose of reviewing all papers or articles published during the fiscal year and recommending a recipient of this award to the Director. The award consists of a specially engraved plaque. A \$50 special achievement award is also presented by regions or the Headquarters to any DCAA employee who has a paper or article published in a recognized professional journal.

DCAA Outstanding Auditor Trainee of the Year Award. This award is presented annually to the auditor who, as a trainee, GS-5, 7, or 9, exhibits superior ability and significant career-oriented achievements during their initial 12-month period of service with DCAA. An Ad Hoc committee at the Headquarters screens nominations from the regions and the Field Detachment and recommends a recipient of this award to the Director. The Director approves the

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award which consists of \$1,000 and a plaque with a metal plate containing an engraved citation.

DCAA Outstanding Clerical Employee of the Year Award. This award is presented annually to a clerical employee selected from a region, the Field Detachment, or Headquarters who has exhibited highly exceptional performance for a minimum period of 12 months. An Ad Hoc committee at the Headquarters screens regions, the Field Detachment, and Headquarters nominations and recommends a recipient of this award to the Director. The Director approves this award which consists of \$1,000 and a shadow box letter.

DCAA Outstanding Administrative/Technical Employee of the Year Award. This award is presented annually to an administrative or technical employee selected from a region, Field Detachment, or Headquarters who has exhibited highly exceptional performance and career-oriented achievements for a minimum of 12 months service in DCAA. An Ad Hoc committee at the Headquarters screens regions, the Field Detachment, and Headquarters nominations and recommends a recipient of this award to the Director. The Director approves this award which consists of \$1,000 and a shadow box letter.

William B. Petty Special Achievement Award for Management Excellence. This award is made annually to recognize a DCAA supervisor, manager, or management official in grades GS-13 and above who has distinguished himself or herself by demonstrating unusual management or leadership capabilities which have resulted in significant benefits to the Agency. Nominations are submitted by the regions, the Field Detachment, and Headquarters which are screened by the Headquarters Career Development Board who recommends a recipient of the award to the Director. The Director approves this award which consists of an engraved plaque and a check for \$5,000.

J. R. Brown Creative Achievement Award. This award is made annually to recognize a DCAA employee who has made a specific and identifiable contribution to the performance of DCAA to the extent that it represents ingenuity, innovation, creativity or excellence which is well beyond normal job responsibilities. Nominations are submitted by the regions, the Field Detachment, and Headquarters which are screened by the Headquarters Career Development Board who recommends a recipient of the award to the Director. The Director approves the award which consists of an engraved plaque and a check for \$2,000.

Annual Outstanding Auditor Achievement Award. This award is made annually to an auditor for a single achievement which was so outstanding that it represents personal initiative, innovation, and ingenuity in auditing skills or dedication which is well beyond normal job responsibilities. An Ad Hoc committee appointed by DCAI screens candidates for this award which are drawn from those individuals who have received previous recognition in conjunction with the DoD White House Accomplishment Report. The Director approves this award which consists of a shadow box letter and a check for \$1,000.

EEO Performance Award. This award is presented annually to DCAA employees for notable performance in and contribution to the Equal Employment Opportunity Program, including the Federal Women's Program. The Director approves this award based on nominations from the regions, the Field Detachment, and Headquarters. This award consists of a certificate and a shadow box with an engraved citation.

DCAA Honorable Career Service Award. This award is presented upon retirement to DCAA employees who have (i) a record of sustained superior performance that has had a measurable impact on the accomplishment of the agency's mission, or have (ii) received some previous recognition for superior performance or special achievement. The Director approves this award based on nominations from regions, the Field Detachment, and Headquarters. The award consists of an engraved plaque.

Personal Achievement Recognition. This award recognizes personal and professional achievements, primarily in the areas of self-development or for noteworthy professional activity, such as a guest instructor, attainment of a CPA, a Graduate degree, etc. Regional directors, the Director of Field Detachment, and Heads of Principal Staff Elements may approve this award which consists of a polished marble paperweight with a suitably engraved brass plate.

Career Service Recognition. All DCAA employees receive service award emblems and certificates to mark career service milestones at 10-year intervals, i.e., 10, 20, 30, 40, 50 years of service. The purpose of this award is to recognize long, faithful service and to stimulate employee's pride and interest in their organization and the public service. Regional directors, the Director of Field Detachment, and Heads of Principal Staff Elements sign career service certificates.

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Anniversary Lapel Pin. This award is in the form of a lapel pin which joins together the United States and DCAA flags. The award symbolizes DCAA employees' dedication to professional standards, devotion to duty, and commitment to excellence. The award is presented to all new DCAA auditors by DCAI upon the completion of the Auditor Technical Indoctrination Course or by the Headquarters or Regional Personnel Officers for other employees on the occasion of their first anniversary with the Agency.

Letters of Commendation. These are special letters used to recognize an employee for unusually good work performance or a special act or service which exceeds normal performance expectations. Letters can be awarded when service or performance does not meet the criteria for cash or honorary awards but is valuable enough to warrant official commendation and a permanent record in the employee's official personnel folder. Letters of Commendations are signed by Headquarters Division Chiefs, FAO managers, or other equivalent management levels.

Certificate of Appreciation or Letters of Appreciation. These two types of recognition may be given at any time to express appreciation for a minor yet special effort of a short duration. Immediate supervisors, higher level management officials or other agency supervisory personnel having first-hand

knowledge of the performance or act may sign the letter of appreciation or the certificate of appreciation.

Other Government and Non-Government Awards. At various times during the year, OPM solicits nominations for major honor awards such as the President's Award for Distinguished Federal Civilian Service, Presidential Management Improvement Awards, SES Presidential Rank Awards, Outstanding Handicapped Federal Employee of the Year Award, etc. Additionally, outstanding civilian employees of the Federal Government may also be nominated for awards sponsored by non-Federal organizations. Nominating criteria and deadlines for these awards are announced periodically. The majority of these awards are honorary

During fiscal year 1985, approximately one in eight of the Agency's GS employees received recognition through cash awards or quality step increases. Many other GS employees received monetary recognition in the form of noncompetitive career promotions. Approximately one in three GM employees received sustained performance or special accomplishment cash awards. Overall, approximately one out of every six of the employees in the Agency's work force received some form of monetary recognition during the last fiscal year. Government-wide, approximately one out of every six employees also receive recognition through receipt of cash awards or quality step increases.

Policy briefs

*From the Office of Assistant Director,
Policy and Plans, Headquarters*

Audit Guidance Roundup

The following accounting guidance has been issued since the last appearance of "Policy Briefs" in June 1985:

— Determination of proper contractor rental payments under facilities use contracts requires audit consideration of a number of factors, especially the base. Examples of conditions resulting in improper rental calculations include (1) underpayments due to incorrect facilities base computations and related credits, and (2) improper exclusion of leasehold improvements from base acquisition costs. (PAD-69, 6/13/85)

— The Department of Defense is conducting a major mobilization exercise to improve the military's

ability to deploy and support its forces. Twenty-six companies have been invited to participate in the exercise. Contractor costs incurred in connection with this exercise benefit the Government and should be considered as acceptable indirect costs to the extent that they are reasonable, allocable, and not otherwise unallowable. Participating contractors should be advised to separately accumulate or otherwise identify all costs associated with this exercise. (PAD-69, 6/13/85)

— Contracts incorporating FAR 52.246-11 require contractors to maintain an adequate quality control program. While the costs of maintaining an acceptable system are allowable (if reasonable), costs to correct significant deficiencies may be unreasonable when the deficiencies are the result of a contractor's earlier negligent conduct. In such a case, the contractor is in breach of contract and is contractually bound

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to correct its quality control system at no increased cost to the Government. Where significant quality control deficiencies are cited on existing contracts, FAOs should recommend the use of an advance agreement to limit the Government's liability and to provide for the segregation of costs incurred to correct the deficiencies. If a contractor refuses to segregate costs, the FAO should recommend suspension of payment until the contractor properly accounts for and segregates the costs of correcting the deficiencies. (PAD-77, 6/21/85)

— Where contractors have materially overfunded pension plans, FAOs should include a special appendix in reports on forward pricing proposals identifying the amount of overfunding, indicating the likelihood of a plan termination, and recommending incorporation of a savings clause in any contract resulting from the proposal. (PAD-79, 6/26/85)

— Where contractors use broker quotes to estimate self-insurance costs, they should be required to demonstrate that the quotes are reasonable and include consideration of the contractor's actual loss experience and potential liability. In addition, contractors using this method to estimate projected average loss should be required to obtain competitive quotes. (PAD-81, 7/2/85)

— A contractor's cost of insurance for risk of loss to Government property used in its plant is allowable only to the extent that the contractor is liable for such loss or damage and the insurance does not cover loss or damage resulting from willful misconduct or lack of good faith on the part of any of the contractor's directors or officers or other equivalent representatives. Where risk of loss is not the responsibility of the contractor, the cost of insurance coverage should be questioned. (PAD-96, 7/22/85)

— PAD-124 contains a comprehensive summary of Headquarters guidance on the accounting treatment for foreign selling costs under FAR 31.205-38(b) and CAS Standards 405, 410, and 418. Issues addressed include pursuit of FAR/CAS noncompliances, cost accounting practice changes, and procedures to be followed when contractors fail to properly segregate and allocate foreign selling costs. (PAD-124, 9/10/85)

Cost Principles Committee

Since the last appearance of "Policy Briefs" the DAR and CAA Councils have approved the following cost principle revisions for promulgation as final rules:

— FAR 31.205-1, Advertising, will be revised to include coverage on public relations. The new coverage clearly defines advertising and public relations

activities and establishes specific allowability criteria. In addition, this revision provides that costs made specifically unallowable under 31.205-1 will not be considered allowable under the provisions of any other cost principle. The final rule should be published in the next FAC.

— FAR 31.205-46, Travel costs, will be revised to clarify the allowability criteria for commercial airfares and for contractor-owned, -leased, or -chartered aircraft. The revision also establishes documentation requirements including identifying destinations, purposes of trips, names of passengers and their relationship to the contractor, and authorization for the trips. This revision should also be published in the next FAC.

For purposes of obtaining public comments, the DAR Council has also approved publication of the following proposed revisions:

— A revision to FAR 31.205-19 to make unallowable the costs of backdated or retroactive insurance (i.e., insurance purchased after an insurable event occurs).

— A revision to FAR 31.205-6 to make unallowable the costs of employee rebates and purchase discounts.

— A revision to FAR 31.205-6(b) to expand the reasonableness criteria, eliminate the presumption of reasonableness, clearly place the burden of proof on contractors, and establish specific criteria for offsets.

— A revision to FAR 31.201-3, Determining reasonableness, to eliminate the presumption of reasonableness (i.e., the Bruce Doctrine) and to place the burden of proof on contractors with respect to the reasonableness of costs.

Cases currently under consideration by the Cost Principles Committee include:

— The need for cost principle coverage relative to business combinations and mergers accomplished by means of stock purchases. Issues being considered include the allowability of costs of asset writeups, golden parachutes, and fighting hostile takeovers. Also under consideration is the need for revisions to FAR Part 42, Novations.

— Terminations of defined benefit pension plans wherein excess funds revert to the contractor.

— As a result of DoD initiatives, Congressional action, and other proposals, consideration is also being given to the allowability of a variety of costs, including memberships in country clubs, and social and dining clubs; executive branch lobbying; selling and marketing; company-furnished automobiles; alcoholic beverages; per diem; and relocation.

cont'd in January Bulletin

Inspire '85

*By James Street
Branch Manager, National Branch Office
Philadelphia Region*

On September 20 and 21, I had the privilege of walking with persons who can not walk, talking to persons who can not talk, listening to persons who can not hear and watching spectacular performances by persons who can not see. It all happened at Inspire '85.

Inspire '85 was an international forum and festival on leisure, recreation and the cultural arts for disabled persons. It was held in Washington, DC, September 17-21, as a highlight of the celebration of the International Decade of the Disabled and the International Year of Youth.

When I received the memo from Headquarters informing us of Inspire '85 and encouraging us to volunteer our assistance to those in charge of the festival, my first reaction was "never volunteer for anything."

But as I read through the news publication attached to the memo, I realized that volunteering to help in this program would not only be helpful to those in charge of the festival, but would also be a source of inspiration to me. I immediately contacted the Inspire '85 volunteer coordinator and arranged to work September 20-21.

At 8 a.m. Friday, I arrived at the mall where the festival was being held for a one-hour training session for volunteers. We were told that the success of Inspire '85 depended on volunteers because the festival was conceived and planned with the full knowledge that it could not succeed without the help of volunteers. More than 400 volunteers were needed each day.

Most of the training was conducted by disabled persons. A woman with a severe speech impediment informed us of the DOs and DON'Ts when dealing with persons with speech impairments. Others with hearing, sight, and mobility impairments informed us of what to expect and how to deal with people with these disabilities.

I was amazed at how vibrant, enthusiastic and confident the speakers were during their presentations. The training session alone provided more inspiration than I expected to receive during the entire festival.

I was assigned to the ski area. I was supposed to assist persons with various disabilities up the ski ramp to the ski lift and help them prepare for their wild decent down the snow-covered slope. The only problem was, there was no ramp, no ski lift, and no snow-covered slope! All I saw was a huge pile of wood.

Needless to say, I spent the entire day as a carpen-

ter. We built the worse ski slope ever witnessed by man! As a matter of fact, when we finished, I couldn't even figure out what it was. Neither could the building inspector, because he wouldn't pass the "thing." When I left the area about 4 p.m., those in charge were huddled around the inspector trying to figure out what to do. I decided to complete my day by watching some of the disabled persons in action.

The first thing I watched was a group of blind men playing a game similar to baseball called beepball. A ball that beeps is pitched to a batter who tries to hit it with a bat. When the ball is hit, the batter runs to a beeping base in hopes of reaching it before the ball is retrieved by a fielder. I was amazed at how well they could play the game. In fact, I'm still having difficulty believing that they were blind.

Next, I attended a beautiful performance, a heart rending pantomime of a love song, by a group of high school students who could not hear or talk. They were simply unbelievable, and it seemed as though they never stopped smiling. They refused to allow their handicaps to bother them.

I heard a choir, made up of mentally handicapped persons, sing with everything they had. They were excellent! As they sang, I remember thinking that maybe life was meant to be lived the way they were singing. I couldn't imagine them complaining about anything.

Next, I saw a drill team from California made up of persons who are confined to wheelchairs and those with other disabilities. Their performance was truly inspirational. Like the other groups, they constantly smiled and seemed so proud of the fact that they had conquered their disabilities.

Saturday morning, I reported to the area where the First Annual Presidential 10K race was being held and decided to run. Some of the wheelchair participants were World Class athletes and there was no way I was going to keep up with them, but that didn't matter, I just wanted the experience of participating. I finished the race and reported to the ski area to see if there was going to be any skiing.

About two hours after I arrived at the ski area, we completed the ramp and slope to the satisfaction of the inspector. I spent the rest of the day helping disabled men and women, as well as handicapped girls and boys, up the ski ramp to the snow-covered slopes.

My experience at Inspire '85 was one I will never forget. My two days of association with people who are able, through hard work and determination, to overcome their disabilities has had a permanent, and positive, influence on my life. If you ever have an opportunity to participate in a program of this nature, don't pass it up!

Guidance for small contractors

*By Ken Schreier
Program Manager
Operations Policy Division*

Anyone who has ever spent any time working in a branch office has had to answer basic questions from new contractors. These questions range from "What is a DCAA?" to "What is required when I submit a claim for recovery of my incurred costs?" The answers that the contractor are given usually depend on the time available and the experience level of the auditor contacted. Some FAOs consider this lack of consistency to be a major problem. In order to correct the situation, they develop data packages that contain models for contractors to follow when preparing submissions for DCAA review. A program manager at DCAA Headquarters has gathered these models, updated them as necessary, and incorporated them into a pamphlet that is scheduled to be released in early 1986.

The new pamphlet which is entitled "Guidance for New Contractors" will supersede both Defense Contract Audit Agency Pamphlets (DCAAP) 7641.58, "Preparation of Public Vouchers Guidance and Instructions," and DCAAP 7641.77, "What a New Defense Contractor Can Expect from the Defense Contract Audit Agency."

This new pamphlet consolidates current guidance and helps to answer some of the questions frequently asked by Defense contractors. The models that are included are intended solely as illustrations and should not be construed as uniform guides. Each contractor must tailor its response to the individual situation. We

believe the new pamphlet will provide small contractors with a much better insight into the procurement process and the role DCAA plays within that process.

The pamphlet is broken down into six parts as outlined below:

Background Information on DCAA

Preadward Surveys

Price Proposals

- *Contractor submissions
- *Audit evaluation
- *Model proposal
- *Negotiations
- *PL 87-653
- *PL 91-379

Contract Financing

- *Progress payments
- *Public vouchers

Incurred Cost Proposals

- *Letters to contractors
- *Contractor submission
- *Audit evaluation
- *Labor costs
- *Model proposal

Types of Contracts and Applicability

We believe all field auditors should familiarize themselves with the contents of the pamphlet so that they will know when it is appropriate to recommend the pamphlet to the contractor(s) being audited. Also, since the pamphlet will be available to contractors, auditors must be aware of Agency information contained therein.

Team approach to EDP auditing

*By H. Dean Barks
Computer Specialist
EDP Technical Branch, DCAI*

Modern computer systems allow defense contractors to maintain and process large amounts of information pertinent to the management of their operations and administration of contract costs. In most cases, the computer has become so integrated into the contractor's operation that unavailability of computer resources for any length of time would severely limit the contractor's ability to deliver its product. Increasingly, these systems are characterized as being online and data base which simply means that someone can sit at a terminal and enter and retrieve data without untimely delays or the necessity of pre-

paring a computer program. Although these and other features are nice from the contractor's viewpoint, they can create real headaches for the auditor. In many instances, audit trails are sketchy or nonexistent. Accountability for transactions processed against the system may also be indeterminate.

A recent issue (July 15, 1985) of Aviation Week and Space Technology disclosed that the DoD Inspector General's Office is currently conducting investigations of 45 top defense contractors involving possible criminal activity. Although DCAA's mission per se is not to look for fraud, we should not be blind to the possibility including threats posed by large and complex automated systems.

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To satisfy professional standards and prudent audit practices, DCAA must “bite the bullet” and perform internal control assessments necessary to gain confidence in the integrity of data and the reliability of computer processing. The proven most effective method of conducting EDP internal control reviews is the team approach. Using this concept, systems are reviewed by a team of qualified auditors and computer specialists. To date, the track record for reviews performed using the team approach is impressive. Computer specialists have deciphered and clarified the mechanics of computer processing and implemented

compliance tests, whereas auditor team members have gotten heavily involved in designing the tests and interpreting the accounting impact of test results. The blend of computer specialist and auditor expertise has worked very well and improved DCAA’s credibility in the EDP area with defense contractors. If there is truth to the old adage that “two heads are better than one,” then it is reasonable to expect that expertise in two complimentary disciplines (such as accounting and data processing) is better than expertise in one area. To obtain computer specialist assistance in the internal control and other areas, contact your regional QM/EDP Division.

How to make them listen

Want to make your speeches command more attention? Consider these tips from Wendy Reid Crisp, editor-in-chief of *Savvy* magazine:

- **Write and deliver** the speech as if you were talking to a colleague. Avoid using formal phrases, such as “it is my great honor.” They create distance between you and the audience.

- **Don’t try** to be an insider if you’re not. On unfamiliar turf—out of town, or speaking before an industry not your own—admit your ignorance.

- **Don’t dilute** your opinions. Delete phrases, such as “I think,” “I feel” and “I believe.”

- **Don’t lose** your tension. Ninety percent of charisma is pure adrenalin. A speaker should only

appear relaxed. Don’t lose the passionate edge that keeps an audience spellbound.

- **Keep a speech file.** In it put newspaper clippings, photos, lines of poetry, random original thoughts, useful statistics. A good speech is like a good fruitcake: There are more pieces of nuts and fruit than there is batter. Pack your speech with every appropriate anecdote, fact, one-liner and comparison you can find.

- **Avoid telling jokes.** Instead, share real anecdotes from your professional or personal life. This will establish rapport with the audience.

Source: Wendy Reid Crisp, writing in *Savvy*, 3 Park Ave., New York, NY 10016.

Could you be getting stale?

If too many days at work are moving like molasses, you might be getting stale.

Some signs of staleness:

- **Colleagues aren’t** communicating with you the way they used to.

- **You’re frequently** resisting change and suggesting reasons why new approaches won’t work.

- **You’ve neglected** to appraise your work and attitude on a regular basis.

- **You’re missing** more and more deadlines:

What to do:

- **Upgrade your résumé.** This doesn’t mean you

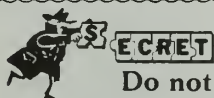
should use it, but the process prompts you to take stock of yourself.

- **Write an** informal job description for your current job. Note what you like and don’t like.

- **Prepare a career-path** statement. List specifics, including what you would like to be doing now and how much money you would like to make two years from now.

- **After evaluating** the three papers you’ve prepared, decide whether you can improve your present job or if you must seek another position.

Source: Paul Engle, writing in *Industry Week*, 1111 Chester Ave., Cleveland, OH 44114.



Security awareness . . .

Do not discuss classified information on nonsecure telephones; official DoD telephone systems are subject to monitoring for communications security purposes at ALL times.

DoD telephones are provided for the transmission of official government information only. Use of official DoD telephones or telephone systems constitutes consent to communications security monitoring in accordance with DoD Directive 4640.6

Professional activities . . .

HEADQUARTERS

Fred J. Newton, Acting Director, Headquarters, spoke on "Indirect Cost Issues" at the National Contract Management Association, Regional Educational Conference held in Houston, Texas.

BOSTON

Alison L. Hawk, auditor trainee, Pittsburgh Suboffices Branch Office, was awarded a CPA certificate from Pennsylvania.

Michael R. Bush, auditor trainee, GE Evendale Resident Office, passed the CPA examination in Ohio.

Ron Richardson, supervisory auditor, GE Evendale Resident Office, was appointed Newsletter Director for the Association of Government Accountants (AGA).

Leonora S. McCormack, auditor, Pittsburgh Mobile Branch Office, received a Certificate of Finalist for EEO Award from the Federal Executive Board in Pittsburgh, Pa. **McCormack**, also received a Letter of Commendation from the Federal Executive Board for the Federal Disabled Employee Program.

Patricia Ann Mullen, clerical assistant (chief clerk), Pittsburgh Mobile Branch Office, received Honorable Mention for Outstanding Administrative Employee from the Federal Executive Board in Pittsburgh, Pa.

LIAISON OFFICE

Arlin R. Tueller, procurement liaison auditor, Kirtland AFB, New Mexico, spoke before new Deputy AFPRO Commanders on the "Role of the Resident Auditor." **Tueller**, also spoke on "Activity in the Overhead Arena, Certification, Allowability, Reasonableness, and Settlement" before the Albuquerque, NM Chapter of the National Contract Management Association.

LOS ANGELES

Patrick D. Mirch, Regional Director, Los Angeles Regional Office, spoke on "Current Issues in Government Contracting — The Government's Perspective" before the Government Contracts Committee of the California Society of Certified Public Accountants and before the Orange County Chapter of the National Contract Management Association.

Donna M. Gib, auditor, General Dynamics/Convair San Diego Resident Office, passed the CPA examination in the state of California.

Jeffrey L. Chess, auditor, Hughes-Fullerton, passed the CPA examination in California.

Gary Whited, auditor, San Fernando Valley Branch Office, was awarded a CPA certificate from the state of California.

James R. Donovan, auditor, San Fernando Valley Branch Office, passed the CPA examination in California.

Robert A. Allen, auditor, Rockwell/Anaheim, passed the CPA examination in California.

Stewart Cowen, supervisor, Litton Systems, Inc., Resident Office, spoke to the School of Business Administration and Economics Department at Cal State University in Northridge, on "Governmental Accounting"

Fredricka T. Burns, senior auditor, Los Angeles Branch Office, was appointed Program Director, for the Association of Government Accountants, LA Chapter. **Burns**, has also been appointed President for the Federally Employed Women, Inc., LA Chapter.

Sandra S. Mizutari, auditor, Santa Ana Branch Office, spoke to the Accounting Society at California State University on "Career Opportunities With DCAA."

Gene F. Seiler, auditor, Northrop Resident Office, passed the CPA examination in California.

Bernard A. Bulder, auditor, Northrop Resident Office, passed the CPA examination in California.

Jacqueline Hlavin, auditor, Ford Aerospace Resident Office, was appointed Meetings Coordinator for the Association of Government Accountants, Orange County Chapter.

Sandra L. Bierlair, auditor, Ford Aerospace Resident Office, was appointed Research Coordinator for the Association of Government Accountants, Orange County Chapter.

PHILADELPHIA

Francis X. Dolan, regional audit manager, Philadelphia Regional Office, was appointed Committee Member on the 1986 P.D.C. Site Selection Committee for the Association of Government Accountants, National Office.

SAN FRANCISCO

Bernard Topf, Regional Director, spoke at the Annual Meeting of the Procurement and Finance Council on the "Aerospace Industries Association."

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Mark A. Giesie, auditor, St. Paul Branch Office, is the Course Coordinator of the Socio-Economic Training Program for the Association of Government Accountants, at Mt. Sinai Hospital in Minneapolis, Minn.

Kevin L. Hampton, auditor trainee II, Salt Lake City Branch, passed the CPA examination in Utah.

Thomas J. Montgomery, regional special programs manager, San Francisco Region, spoke at the Santa Clara Field Office DCIS on "DCAA/Investigation Interface on Suspected Fraud."

Daryl L. Petrig, senior auditor, Aerojet Resident Office, spoke at the California State University in Sacramento to Accounting Students on "Career Cho-

ices with DCAA." **Petrig's** presentation was videotaped for future use by the University.

Acacia M. Rodriguez, auditor, San Francisco Region, spoke on "DCAA/Investigation Interface on Suspected Fraud" at the Santa Clara Field Office DCIS.

Felix L. Wylie, lead auditor, El Paso, Texas, spoke to Corps of Engineers Management Personnel on "DCAA Role Regarding Defective Pricing."

Donald J. Youngblood, supervisory auditor, Salt Lake City Branch, served as a Resource Staff Member for the Army's Personal Management Program for Executives held in Hawaii.

Award winners . . .

ATLANTA

Quality Step Increase

Katherine Hoog
Carolyn Turner

Special Act Award

Ronald Andrus

BOSTON

Quality Step Increase

Thomas M. Buczala
Andrew R. Tax
Kathleen L. Prygocki
Emmanuel M. Cannata
Jess M. Soto
Natalie M. Chatel
Robert A. Southerland

Sustained Superior Performance

Joanne M. Miller
Alfonso Apruzzese
Darryl L. Walker
Robert A. Johnston

Special Act Award

John P. Delcore
Ronald C. Chase
John I. McDonough

CHICAGO

Special Act Award

Pamela Henderson
Wayne Maerten

Sustained Superior Performance

Steven Schwartzberg
Charles L. Wilson
Gary R. Fierce

LOS ANGELES

Sustained Superior Accomplishment

Joel Valenzuela
Yvonne Perlberg
Robert B. Hertzog
J. Michael Sanft
James R. Musekamp
Stanley Calloway
Mary E. Dickson
Barbara Reilly
Milton Levine
Richard Kuchinskas
James L. Dinniene
Kiyoshi Yamamoto
Burton Mazer
Thomas A. Nakagawa
Nicolas P. Hoogendyk
Dudley P. Slater
John Sharenko
Stanley R. Gag
Edward P. Morga
Richard R. Buhre
John P. Malony
Jack L. Wiese
Keith E. Harris
Ernest R. Robinson

Richard H. Dodd
Jimmie Tsuchiyama
Patricia L. O'Hern
Valentins Miska
Robert F. Haines
Clifford A. Gordon
Michael N. Hodges
Akio Kawamoto
John Trevennen
Stephen L. Kennedy
Jerry J. Strayer
Alan Sueoka
Richard M. Riggs
Ernest Gutierrez
Harold H. Jarvis
William G. Nutting
Karen L. Taylor
Patricia M. Tranberg
Steven W. Stock

Special Act or Service and SSP

Matsu Sugita
Edward L. Osuna
Ralph Parrilla
Michal Kerestes
Jo Mink
Matthew Paek
Anna Kuehl
Elaine Whallon
Bernard A. Baskin
Theresa R. Kennard
Jim Troppmann
Hugo Pastore

Linda Jung
Edward Nebrensky
LeeAnn Harris
Marianne Boucher
Leonard Edmonson
Laura E. Cardenas
Annette F. Chase
Joanna K. Famiglietti
John A. Burnham
Robert E. Harris
Jacqueline Hlavin
Sharon L. Turco
Curtis A. Smith
Chris Hornsleth
Joyce Baumach
J. B. Morgan
Collen Herman
Dennis Medici
Angelo Colaveta
Constance Avery
Eric Lloyd-Owen
Elijah Wells
Betty Allen
Deborah Kyle
Charles Hernandez
Earl Otis
Thomas Boyce
Raoul Cristin
Thomas Nakagawa
John Sharenko



Key personnel actions . . .



Melby

Robert J. Melby joined the Agency in 1973 after receiving a Masters Degree in Accounting from the University of North Dakota. Melby's first 3 years with the Agency were spent at the Westinghouse Resident Office in Baltimore, Md. Following this assignment Melby was assigned to the Ingalls Shipbuilding Resident Office and from there he joined the Defense Contract Audit Institute staff as an instructor in 1978. In August 1980 Melby became Chief of the Research and Development Branch and in January 1984 he was assigned to a similar position in the Operations Audit Support Branch, which he presently occupies. In September 1985 Melby was selected as the Regional Audit Manager for Atlanta. With the reorganization of the Institute he is also serving as the Acting Manager of the Technical Services Center.

Melby is a certified public accountant and a member of the Association of Government Accountants. He is also on the Computer Auditing Subcommittee for the AICPA.

Dean

When Clay Dean began his career with the Agency he brought 14 years of auditing experience with him. Dean worked for seven years as an auditor with the HHS Audit Agency and NASA and another seven years as a Supervisory Auditor with the Department of Energy. In 1982, Dean joined the Jackson Suboffice, Gulf Coast Branch, Atlanta Region. He was recently promoted to course manager at the Defense Contract Audit Institute.

Dean graduated with a BS in accounting from Mississippi State University in 1970 and received his MBA from Mississippi College in 1974. He is a CPA in Mississippi as well as a member of the AICPA and the Mississippi Society of CPAs. Dean is also a charter member of the Association of Government Accountants, Jackson Chapter.



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